

LEASE

(Space in Office Building located at 21641 Ridgetop Circle, Sterling, Virginia)

THIS LEASE ("Lease") is made as of ~~January~~ ^{February} 22, 2001, between, RIDGETOP TWO, L.L.C., (Landlord) and the BOARD OF SUPERVISORS OF LOUDOUN COUNTY, VIRGINIA (Tenant).

SECTION 1 - BASIC LEASE PROVISIONS

1.1 Parties. Landlord is a limited liability company, organized under the laws of Maryland, with principal offices at c/o Bavar Properties Group, LLC, Timonium One, 1966 Greenspring Drive, Timonium, Maryland 21093. Tenant is a political subdivision of the Commonwealth of Virginia, with offices at 1 Harrison Street, S.E., Leesburg, Virginia 20178-0347, Attn: Treasurer.

1.2 Premises. Landlord leases to Tenant that portion of the first floor of the Building (hereinafter defined) that is shown cross-hatched on the floor plan that is attached hereto as Exhibit A (the "Premises"). The Premises contains 14,745 rentable square feet of area and are located in the two story office building (the "Building") to be erected by Landlord on Lot 14 in the Loudoun Tech Center, Section Two, as the same is duly dedicated and recorded among the Land Records of Loudoun County, Virginia in Deed Book 879, page 1420, resubdivided in Deed Book 882, page 838, in Deed Book 915, page 191, and Deed Book 943, page 200. The Building will contain approximately 58,934 rentable square feet of office space. Lot 14 will include parking for not less than 300 automobiles. The street address of the Building is 21641 Ridgetop Circle, Sterling, Virginia 20166. A list of the plans and specifications for the Building and the parking and other improvements to be constructed on Lot 14 by the Landlord, and a list of the base Building components, is attached to this Lease as Exhibit B. The Premises will also include the Tenant's Improvements required by paragraph 1.9.

Tenant and its agents, employees, and invitees shall have the right during the Term of this Lease, to the use, in common with others, of the common areas of the Building and the common areas of Lot 14 (the "Land") for the common area's intended and normal purposes. The common areas include elevators, sidewalks, parking areas, driveways, hallways, stairways, public bathrooms, common entrances, lobby, and other similar public areas and access ways. Landlord may change the common areas if the changes do not materially and unreasonably interfere with Tenant's access and use of the Premises.

1.3 Use. Tenant shall use the Premises for general office use only by the treasurer's office of the Tenant, the office of the Commissioner of Revenue of the Tenant and/or as a regional office for the Board of Supervisors, and by no other agency or department of Tenant unless Landlord gives its advance written consent, which consent

shall not be unreasonably withheld, conditioned or delayed provided that there is no increase in the volume or intensity of Tenant's use (including the pedestrian and vehicular traffic generated thereby) and that the office use by such other agency or department is consistent with the image of the Building as a first-class office building. Tenant acknowledges that Landlord will be acting reasonably in withholding its consent to the use of the Premises by agencies or departments such as the office of the public defender, legal aid, parole and probation and social services. Landlord warrants that applicable laws, ordinances, regulations, and restrictive covenants ("Applicable Laws") permit the Premises to be used for general offices. Tenant shall not create a nuisance or use the Premises for any immoral or illegal purposes. Tenant will not permit any public or private auction sales on the Premises. Tenant will not load the floor of the Premises in excess of its rated capacity.

1.4 Term. The term (Term) of this Lease begins (Beginning Date) on the earlier of (a) the date Tenant takes possession and commences operations in the Premises; or (b) the Target Date or, if the Premises are not substantially complete on the Target Date the date specified in the notice required by paragraph 6 of this Section 1 provided (i) Landlord is ready, willing and able to deliver possession of the Premises in the condition required by this Lease to Tenant on such specified date (or would have been but for a Tenant Delay) and (ii) the Target Date set forth in paragraph 1.5 has arrived.

If the Beginning Date would be a Saturday, Sunday, or legal holiday, the Beginning Date shall be the first business day following that Saturday, Sunday, or holiday.

Unless sooner terminated as provided in the Lease, the Lease Term ends (Ending Date) 60 months from the Beginning Date, plus, if the Beginning Date is other than the first day of a month, the number of days (including the Beginning Date) remaining in such month. Within thirty (30) days after the Beginning Date the parties shall confirm, in writing, the Lease's Beginning Date and Ending Date.

1.5 Substantial Completion. Landlord shall use commercially reasonable efforts to substantially complete the Building and other improvements in accordance with the plans and specifications listed on Exhibit B and the Tenant's Improvements provided for in paragraph 1.9) by May 15, 2001 (Target Date). As used herein the term "substantially complete" means (a) completing the Building and the Tenant's Improvements to the extent that (A) Tenant can use the Premises for their intended purposes without material interference to Tenant conducting its ordinary business activities and (B) the incomplete items within the Premises are items such as details of construction, mechanical adjustments, or finishing touches that can be completed after the Premises is occupied without causing material interference with Tenant's use of the Premises; and (b) securing a temporary or permanent certificate of occupancy from the local political subdivision if required as a condition of occupancy of the Premises by the Tenant.

Landlord shall deliver the Premises and the Tenant Improvements required to be constructed by Landlord pursuant to paragraph 1.9 below "broom clean" and free of debris.

Notwithstanding the foregoing, if Landlord shall be delayed in substantially completing the Premises or the Tenant's Improvements as a result of:

- (i) Tenant's failure to approve the drawings for the Tenant's Improvements prepared by the Landlord's space planner (who is Cross, Dunning & Associates, 14370 Sully Field Circle, Suite 200, Chantilly, Virginia 20151 (703) 322-0700) within a reasonable period of time; or
- (ii) Tenant's request for changes in or modifications to the final plans or working drawings subsequent to Tenant's approval of the same; or
- (iii) Tenant's failure to timely pay the amounts required pursuant to paragraph 2(b) of Exhibit C; or
- (iv) The inability to obtain non-"building standard" materials, finishes or installations requested by Tenant; or
- (v) The performance of any work by any person, firm or corporation employed or retained by Tenant; or
- (vi) The fact that the Tenant's Improvements requested by Tenant exceed the normal and customary "building standard" building finishes generally found in tenant space in first class office buildings in the area of Loudoun County wherein the Premises are located;

then, in any such event (each a "Tenant Delay"), for purposes of determining the Beginning Date of the Lease Term the Premises shall be deemed to have been substantially completed on the date that the Premises (including the Tenant's Improvements) would have been substantially completed if such delay or delays had not occurred.

1.6 Notice. Landlord shall give Tenant at least fifteen (15) days advance notice of the estimated substantial completion date if different from the Target Date. If the estimated substantial completion date changes at any time after Landlord gives notice, then Landlord shall give five (5) days advance notice of the new estimated substantial completion date.

1.7 Inspection and Punchlist. Before the Beginning Date, the parties shall inspect the Premises, have all systems demonstrated, and prepare a punchlist. Landlord

will complete the punchlist items and use commercially reasonable efforts to finish them (other than landscaping which shall be completed as weather permits) within sixty (60) days after the Beginning Date.

1.8 Delayed Possession. As its sole remedy, Tenant may cancel this Lease if Landlord cannot deliver actual possession of the substantially complete Premises by sixty (60) days after the Target Date. To cancel Tenant must give notice to Landlord within sixty (60) days after the Target Date and before Landlord gives notice to Tenant that the Premises are substantially complete. The time limitations above shall be extended for a time equal to any period of delay caused by the Tenant. Within fifteen (15) days after cancellation Landlord shall return to Tenant all prepaid consideration including Rent and deposits.

1.9 Tenant's Improvements. Landlord, shall make improvements (Tenant's Improvements) to the Premises in accordance with the work agreement attached as Exhibit C. The Tenant's Improvements shall be completed in a good and workmanlike manner and comply with all Applicable Laws. Landlord shall contribute the sum of \$25 per rentable square foot of the Premises (i.e., \$368,625) (the "Landlord's Contribution") toward the cost of the Tenant's Improvements, with Tenant to pay the excess, all as more particularly provided for in Exhibit C. In the event the total cost of the Tenant Improvements is less than the Landlord's Allowance, any savings shall belong to Landlord.

SECTION 2 - RENT AND SECURITY

2.1 Rent. Tenant shall pay to Landlord Rent as follows:

(a) for the period commencing on the Beginning Date and ending at the end of the 12th full calendar month of the Term an annual rent of \$375,998 payable in equal monthly installments of \$31,333.17). If the Term does not begin on the first day of a month, the Rent for that partial month, shall be prorated by multiplying the monthly Rent by a fraction, the numerator of which is the number of days of the partial month included in the Term and the denominator of which is the total number of days in that full calendar month;

(b) for the period commencing on the 13th full calendar month of the Term and ending at the end of the 24th full calendar month of the Term an annual rent of \$387,278 payable in equal monthly installments of \$32,273.17;

(c) for the period commencing on the then 25th full calendar month of the Term and ending at the end of the 36th full calendar month of the Term an annual rent of \$398,896 payable in equal monthly installments of \$33,241.33;

(d) for the period commencing on the then 37th full calendar month of the Term and ending at the end of the 48th full calendar month of the Term an annual rent of \$410,863 payable in equal monthly installments of \$34,238.58;

(e) for the period commencing on the then 49th full calendar month of the Term and ending at the end of the 60th full calendar month of the Term an annual rent of \$423,189 payable in equal monthly installments of \$35,265.75;

The Rent shall be paid without advance notice, demand, offset, or deduction by the first day of each month during the Term, except that if the Beginning Date is other than the first day of a month rent for that partial month shall be payable on the Beginning Date; and to Landlord at the address set forth on page 1, or as Landlord may specify in writing to Tenant.

If Tenant fails to pay part or all of the Rent or Additional Rent within ten (10) days after it is due, the Tenant shall also pay a late charge equal to five percent (5%) of the unpaid Rent and Additional Rent, plus interest at twelve percent (12%) per annum or the maximum then allowed by applicable law, whichever is less, on the remaining unpaid balance, beginning on the 31st day following the date originally due until paid.

2.2 Additional Rent. Tenant shall pay to Landlord as Additional Rent the amount determined under subsection (e) as follows:

(a) Definitions.

Base Operating Expenses means the Operating Expenses for the first twelve (12) full calendar months of the Term (Base Year), as adjusted under subparagraph (c) below. Base Year Operating Expenses shall be reduced by an amount equal to the amount by which, because of the manner or intensity of use of the Building (such as use during evening hours, weekends and holidays), the Base Year Operating Expenses exceed those that would otherwise have been incurred with respect to the Building during the Base Year.

Base Real Estate Taxes means the amount determined by multiplying (i) the tax rate in effect at the Beginning Date times, (ii) the assessment for the Building and Land immediately after the Building is fully assessed as a completed and occupied unit, (such assessment to be reduced by an amount equal to the amount by which the cost of tenant's improvements installed within the Building exceeds \$25.00 per rentable square foot). If there is a tax abatement in effect at the time the amount is determined under this paragraph 2.2, then this amount will be calculated as if there were no abatement.

Tenant's Pro Rata Share means 25.02%.

Property means the Building and its equipment and systems, and the Land.

Real Estate Taxes means real property taxes and currently due installments of assessments, special or otherwise, imposed upon the Property, and reasonable legal fees, costs, and disbursements incurred for proceedings to contest, determine, or reduce Real Estate Taxes. Real Estate Taxes include Substituted Taxes as defined in Section 2.2(c)(5) below. Real Estate Taxes exclude federal, state, or local income taxes, franchise, gift, transfer, excise, capital stock, estate, succession, or inheritance taxes, and penalties or interest for late payment of Real Estate Taxes.

Operating Expenses means Landlord's operating expenses (Landlord may, at its election, use an accrual method of accounting) that are attributable to the operation, maintenance, management, and repair of the Property, and Landlord's actual administrative and overhead costs in connection therewith, including:

(1) salaries, and other compensation; including payroll taxes, vacation, holiday, and other paid absences; and welfare, retirement, and other fringe benefits; that is paid to employees, independent contractors, or agents of Landlord engaged in the operation, repair, management, or maintenance of the Property, including the following: window cleaners, miscellaneous repair persons, janitors, cleaning personnel, porters and landscaping, lawn maintenance and snow removal personnel; security personnel and caretakers; and engineers, mechanics, electricians, and plumbers; but not more than one manager or superintendent, and excluding executive personnel above the level of manager;

(2) the purchase, cleaning, replacement, and pressing of uniforms of employees specified in clause (1) above;

(3) repairs and maintenance of the Property and the cost of supplies, tools, materials, and equipment for Property repairs and maintenance, that under generally accepted accounting principles consistently applied, would not be capitalized;

(4) premiums and other charges incurred by Landlord for insurance on the Property and for employees specified in clause (1) above including (a) fire insurance, and insurance against other perils covered by industry standard "Special Form" policies or its equivalent; (b) public liability and property damage insurance; (c) elevator insurance; (d) workers' compensation insurance; (e) boiler and machinery insurance; sprinkler leakage, water damage, water damage legal liability insurance; burglary, fidelity, and pilferage insurance on equipment and materials; (f) health, accident, and group life insurance; (g) insurance Landlord is required to carry under Section 5; (h) rent loss insurance; and (i) other insurance as is customarily carried by operators of comparable first class office buildings in the area of Loudoun County wherein the Property is located;

(5) costs incurred for inspection and servicing, including all outside maintenance contracts necessary or proper for the maintenance of the Property, such as janitorial and window cleaning, rubbish removal, snow removal, lawn

maintenance, exterminating, water treatment, elevator, electrical, plumbing, and mechanical equipment, and the cost of materials, tools, supplies, and equipment used for the same;

(6) costs incurred for electricity, water, gas, fuel, or other utilities;

(7) payroll taxes, federal taxes, state and local unemployment taxes, and social security taxes and other benefits paid for the employees specified in clause (1) above;

(8) sales, use, and excise taxes, on rents or on goods and services purchased by Landlord and personal property taxes on fixtures and personal property of Landlord used in the operation, maintenance, management and repair of the Property;

(9) license, permit, and inspection fees;

(10) accountants and auditor's fees;

(11) legal fees, costs, and disbursements but excluding those based upon Landlord's negligence or other tortious conduct, or (b) relating to the defense of Landlord's title to, or interest in, the Property;

(12) management fees to a person or entity other than the Landlord, or, if the Property is self-managed by Landlord, an amount that is comparable to that charged by independent management companies for the management of similar buildings in the area of Loudoun County wherein the Property is located;

(13) the annual amortization over its useful life with a reasonable salvage value on a straight-line basis of the costs of any capital improvements made by Landlord and required by any changes in applicable laws, rules, or regulations of any governmental authorities enacted after this Lease was signed;

(14) the annual amortization over its useful life with a reasonable salvage value on a straight-line basis of the costs of any equipment or capital improvements made by Landlord after this Lease was signed, as a labor-saving measure or to accomplish other savings in operating, repairing, managing, or maintaining of the Property, but only to the extent of the savings;

(15) the annual amortization over its useful life on a straight-line basis of the costs of any exterior window draperies provided by Landlord and the furnishings and carpeting in the common areas;

(16) any costs for substituting work, labor, materials, or services in place of any of the above items, or for any additional work, labor, materials, services,

or improvements to comply with any governmental laws, rules, regulations, or other requirements applicable to the Property enacted after this Lease was signed, that, at the time of substitution or addition, are considered operating expenses under generally accepted accounting principles consistently applied; and

(17) other costs reasonably necessary to operate, repair, manage, and maintain the Property in a first class manner and condition.

Notwithstanding the above, Operating Expenses exclude:

- (1) Real Estate Taxes;
- (2) costs incurred by Landlord in discharging its obligations under paragraph 1.9 or in installing tenant improvements for other tenants of the Building;
- (3) costs incurred by Landlord for alterations that are considered capital improvements and replacements under generally accepted accounting principles consistently applied except that the annual amortization of these costs shall be included to the extent expressly permitted in Clauses (13), (14), and (15) above;
- (4) depreciation and amortization on the Building except as expressly permitted elsewhere in the Lease;
- (5) costs of a capital nature including capital improvements, capital repairs, capital equipment, and capital tools, as determined under generally accepted accounting principles consistently applied, except that the annual amortization of these costs shall be included to the extent expressly permitted in Clauses (13), (14), and (15) above;
- (6) costs incurred because the Landlord violated the terms of this Lease;
- (7) overhead and profit paid to subsidiaries or affiliates of Landlord for management or other services on or to the Property or for supplies or other materials, to the extent that the costs of the services, supplies, or materials exceed the competitive costs of the services, supplies, or materials were they not provided by a subsidiary or affiliate;
- (8) interest on debt or amortization payments on mortgages or deeds of trust or any other debt for borrowed money;
- (9) rentals and other related expenses incurred in leasing air conditioning systems, elevators, or other equipment ordinarily considered to be of a capital nature, except equipment used in providing janitorial services that is not affixed to the Building;

(10) items and services for which Tenant pays directly to third parties;

(11) advertising and promotional expenditures;

(12) repairs or other work needed because of fire, windstorm, or other casualty or cause insured against by Landlord or to the extent Landlord's insurance required under Section 5 would have provided insurance, whichever is the greater coverage;

(13) nonrecurring costs incurred to remedy structural defects in original construction materials or installations;

(14) any costs, fines, or penalties incurred because Landlord violated any Applicable Laws;

(15) costs incurred to test, survey, cleanup, contain, abate, remove, or otherwise remedy hazardous wastes or asbestos-containing materials from the Property unless the wastes or asbestos-containing materials were placed in or on the Property because of Tenant's or any third party's negligence or intentional acts; and

(16) other expenses that under generally accepted accounting principles consistently applied would not be considered normal maintenance, repair, management, or operation expenses.

Adjustment Period: means each twelve (12) calendar month period occurring during the Term beginning with the twelve (12) full calendar month period next following the Base Year.

(b) Operating Expenses Control. Landlord shall use reasonable efforts to keep Operating Expenses at reasonable amounts, while maintaining a first class office building.

(c) Adjustments. Operating Expenses shall be adjusted as follows:

(1) If the base for Operating Expenses is a Base Year and occupancy during the Base Year or any Adjustment Period is less than ninety-five percent (95%), then Operating Expenses for that Base Year or Adjustment Period shall be "grossed up" to that amount of Operating Expenses that, using reasonable projections as determined, would normally be expected to be incurred during the Base Year or Adjustment period if by Landlord, the Building was ninety-five percent (95%) occupied during the Base Year or Adjustment Period, as determined under generally accepted accounting principles consistently applied. Only those component expenses that are affected by variations in occupancy levels shall be grossed up.

(2) If during any Adjustment Period Landlord eliminates or reduces any component of Operating Expenses because Landlord replaces labor with a machine, equipment, or other device, the corresponding component of Operating Expenses shall be deducted from the Base Operating Expenses to calculate Tenant's share of any increased Operating Expenses. A new component shall be added to Base Operating Expenses equal to the new expense, if any, included in Operating Expenses during the first twelve (12) months following the change. Similarly, if the base is a Base Year, then if during any Adjustment Period any component of Operating Expenses is reduced because of any capital expenditure incurred for converting a facility within or servicing the Building to a different type of facility, the corresponding expense component in the Base Operating Expenses shall be replaced by an amount equal to the new expense for the first twelve (12) months after the conversion.

(3) Operating Expenses shall be reduced by reimbursements, credits, discounts, reductions, or other allowances received or receivable by Landlord for items of cost included in Operating Expenses, except reimbursements to the Landlord by Tenant under the Additional Rent (Operating Expenses/Taxes) provision.

(4) If Landlord receives a refund of any portion of Real Estate Taxes that were included in the Real Estate Taxes paid by Tenant, then Landlord shall reimburse Tenant its pro rata share of the refunded taxes, less any expenses that Landlord reasonably incurred to obtain the refund.

(5) If any non-Real Estate Taxes are imposed against the Landlord in substitution for any Real Estate Taxes (Substituted Taxes), then the Substituted Tax shall be considered a Real Estate Tax (except to the extent expressly excluded in the definition of Real Estate Taxes).

(6) If Landlord increases the Building's rentable square feet after the Building was fully assessed as a completed and occupied unit and the Lease was signed, then the Operating Expenses and Real Estate Taxes attributable to the additional rentable square feet shall be included in the Operating Expenses and Real Estate Taxes in an amount per rentable square foot not to exceed the rentable square foot cost of Operating Expenses and Real Estate Taxes of the original Building. In addition, an adjustment shall be made to the Base Operating Expenses equal to the amount of increased Operating Expenses and Real Estate Taxes attributable to the additional Building rentable square feet for the first twelve (12) months those new expenses are included in Real Estate Taxes and Operating Expenses, both grossed-up for 95% occupancy.

(d) Payment by Landlord. Subject to reimbursement under subparagraph (e) below, Landlord shall pay the Property's Operating Expenses and Real Estate Taxes before delinquency.

(e) Payment by Tenant. If the Operating Expenses or the Real Estate Taxes for any Adjustment Period exceed the Base Operating Expenses or Base Real

Estate Taxes (Expense Increase), as the case may be, then Landlord agrees to pay that portion of the Operating Expenses for the Adjustment Period that are equal to the Base Operating Expenses or the Base real Estate Taxes, as the case may be, and Tenant agrees to pay Landlord as additional rent (Additional Rent), Tenant's pro rata share of the Expense Increase. Landlord shall use reasonable efforts to provide to Tenant, prior to the commencement of each Adjustment Period, notice of Landlord's estimate of the Expense Increase for that Adjustment Period and the amounts payable by Tenant under this Section for that Adjustment Period. By the first day of each month during the Adjustment Period, Tenant shall pay Landlord one-twelfth (1/12th) of the estimated amount. If, however, the estimate is not given before the Adjustment Period begins, Tenant shall continue to pay on the basis of last year's estimate, if any, until the month after the new estimate is given. Within one hundred and twenty (120) days after each Adjustment Period ends, or as soon as reasonably practical, Landlord shall give Tenant an itemized statement (Statement) showing in reasonable detail the:

(1) actual Operating Expenses for the Adjustment Period broken down by component expenses, such as repairs, management fees, electricity, janitorial; and actual Real Estate Taxes for the Adjustment Period;

(2) Base Operating Expenses broken down by component expenses and the Base Real Estate Taxes;

(3) the Operating Expense Increase and the Real Estate Tax Increase for the Adjustment Period;

(4) the amount of Tenant's pro rata share of the Operating Expense Increase and the Real Estate Tax Increase;

(5) the amount, if any, paid by Tenant during the Adjustment Period towards the Operating Expense Increase and the Real Estate Tax Increase;

(6) the amount Tenant owes towards the Operating Expense Increase and the Real Estate Tax Increase or the amount Landlord owes as a refund; and

If the Statement shows that the actual amount Tenant owes for the Adjustment Period is less than the estimated Operating Expenses and Real Estate Taxes paid by Tenant during the Adjustment Period, Landlord shall return the difference (Overpayment).

If the Statement shows that the actual amount Tenant owes is more than the estimated Operating Expenses and Real Estate Taxes paid by Tenant during the Adjustment Period, Tenant shall pay the difference (Underpayment).

The Overpayment or Underpayment shall be paid within thirty (30) days after the Statement is delivered to Tenant. A late charge of five percent (5%) of the Underpayment, shall be added if the payment is not made within the thirty (30) day

period. Landlord shall use good faith efforts to issue the Statement as soon as reasonably practical after each Adjustment Period ends. Any Additional Rent due, including interest and penalty, shall survive the ending of the Lease.

During any Adjustment Period this Lease is not in effect for the full twelve month Adjustment Period, unless it was ended because of Tenant's default, Tenant's obligation for Additional Rent for those Adjustment Periods shall be prorated by multiplying the Additional Rent for the Adjustment Period by a fraction expressed as a percentage, the numerator of which is the number of days of the Adjustment Period included in the Term and the denominator of which is 365.

Tenant, and its agents, and employees shall have ninety (90) days after receiving the Statement to audit Landlord's books and records concerning the Statement at a mutually convenient time at Landlord's offices. The books and records shall be kept in accord with generally accepted accounting principles that are consistently applied. If Tenant disputes the accuracy of Landlord's Statement, Tenant shall still pay the amount shown owing. Tenant may recover that part of the Additional Rent paid, because of errors in the Statement, books, or records of Landlord. If Tenant does not complete its audit within the 90-day period, then Tenant accepts as final the amount shown owing on the Statement.

If Tenant's audit of the books and records shows that the actual increase was four percent (5%) or more below the increase appearing on the Statement or Landlord concedes to the five percent (5%) or higher differential, then Landlord shall pay to Tenant Tenant's reasonable costs of conducting the audit (either for internal or outside auditors). Internal auditors shall be billed at the hourly payroll cost of those employees to Tenant (based on a 40 hour week and including wages and benefits) multiplied by the number of hours spent auditing.

2.3 Personal Property Tax. Before delinquency Tenant shall pay taxes assessed during the Term against trade fixtures or personal property placed by Tenant in the Premises. If these taxes are assessed against the Building, Tenant shall pay the taxes to Landlord within fifteen (15) days after receiving Landlord's written statement setting forth the amount of taxes applicable to Tenant's property and the basis for the charge to Tenant. Tenant's failure to pay within the fifteen (15) day period shall entitle Landlord to the same remedies it has upon Tenant's failure to pay Rent.

2.4 Security Deposit. The Tenant has deposited thirty one thousand three hundred and thirty three dollars and seventeen cents (\$31,333.17) (Security Deposit) with Landlord to secure Tenant's performance of its Lease obligations. If Tenant defaults Landlord may, after give five (5) days advance notice to Tenant, without prejudice to Landlord's other remedies, apply part or all of the Security Deposit to cure Tenant's default. If Landlord so uses part or all of the Security Deposit, then Tenant shall within five (5) days after written demand, pay Landlord the amount used to restore the Security Deposit to its original amount. Landlord may mix the Security Deposit with its own funds. Any part of the Security Deposit not used by Landlord as permitted by this

Section shall be returned to Tenant within sixty (60) days after the Lease ends. If Landlord sells the Building, then Landlord shall be relieved of any liability for the Security Deposit if the requirements of Section 5.11 are met.

SECTION 3 – COMPLIANCE WITH LAWS: LANDLORD’S SERVICES: REPAIRS AND OTHER AFFIRMATIVE OBLIGATIONS

3.1 Landlord’s Compliance with Laws. Landlord warrants, that on the Beginning Date, the Premises will comply with all Applicable Laws, including the Americans With Disabilities Act, State and County building codes and laws relating to the hazardous substances and materials. During the Term, Landlord shall comply with all Applicable Laws regarding the Premises except to the extent Tenant must comply under paragraph 3.2 below.

3.2 Tenant’s Compliance with Laws. Tenant shall comply with the Americans With Disabilities Act in its occupancy and use of the Premises and with all other Applicable Laws (a) regarding the physical condition of the Premises, but only to the extent the Applicable Laws pertain to the particular manner in which Tenant uses the Premises; or (b) that do not relate to the physical condition of the Premises but relate to the lawful use of the Premises and with which only the occupant can comply, such as laws governing maximum occupancy, workplace smoking, and illegal business operations, such as gambling. Tenant shall not bring any hazardous substances or hazardous materials onto the Premises other than those normally used by office tenants of first-class office buildings and will store and use the same in strict compliance with Applicable Laws and comply with all enforcement, clean-up, removal and mitigation orders or requirements relating thereto.

3.3 Services and Utilities. Except to the extent that the same are contracted for directly by the Tenant and the service provider, Landlord shall provide at its expense, subject to reimbursement under Section 2.2, (a) heating, ventilation, and air conditioning (HVAC) for the Premises to maintain temperatures for comfortable use and occupancy in light of Tenant’s Improvements; (b) automatic passenger elevators providing adequate service to the Premises; (c) nightly janitorial services to the Premises during business days; (d) hot and cold water sufficient for drinking, lavatory, toilet, and ordinary cleaning purposes; (e) electricity to the Premises during business hours (i.e., Monday through Friday, 8:00 a.m. through 6:00 p.m. and Saturday, 8:00 a.m. through 1:00 p.m., but excluding New Year’s Day, Memorial Day, July 4th, labor Day, Thanksgiving Day and Christmas) that provides electric current in reasonable amounts necessary for normal office use, lighting, and HVAC; (f) replacement of lighting tubes, lamp ballasts, and bulbs with “building standard” tubes, ballasts and bulbs; (g) extermination and pest control when necessary; and (h) maintenance in a manner comparable to other first class office buildings in the area at Loudoun County wherein the Premises are located. The maintenance shall include cleaning, HVAC, illumination, snow shoveling, deicing, repairs, replacements, lawn care, and landscaping. Tenant shall have access to the Premises 24 hours a day, 7 days a week, however, Landlord may restrict access by

requiring persons to show a badge or identification card or to use an access card issued by Landlord.

Landlord may temporarily close the Building if required because of a life-threatening or Building-threatening situation. Landlord shall use its best efforts to close the Building during nonbusiness hours only.

Whenever Tenant is using extra services because of either nonbusiness-hours use or high electricity consumption installations, Landlord will directly charge Tenant for the extra use and exclude those charges from Operating Expenses. Extra services include: HVAC and electricity required by Tenant during nonbusiness hours which shall be supplied upon reasonable advance verbal notice. If more than one tenant directly benefits from these services then the cost shall be allocated proportionately between or among the benefiting tenants based upon the amount of time each tenant benefits and the square footage each lease.

Tenant shall not place or operate in the Premises any electrically operated equipment or other machinery, other than personal computers, reproduction machines, fax machines, and other machinery and equipment normally used in offices, unless Tenant receives Landlord's advance written consent. Landlord shall not unreasonably withhold or delay its consent, but Landlord may require payment for the extra use of electricity caused by operating this equipment or machinery.

Landlord may require that special, high electricity consumption installations of Tenant such as computer or reproduction facilities (except personal computers or normal office photocopy machines) be separately sub-metered for electrical consumption at Tenant's cost.

Tenant's failure to pay the charges above within thirty (30) days of receiving a proper and correct invoice shall entitle Landlord to the same remedies it has upon Tenant's failure to pay Rent.

Landlord does not warrant that any services Landlord supplies will not be interrupted. Services may be interrupted because of accidents, repairs, alterations, improvements, labor disputes, force majeure, or any reason beyond the reasonable control of Landlord. Provided Landlord is using reasonable efforts to restore the service, any interruption shall not (a) be considered an eviction or disturbance of Tenant's use and possession of the Premises; (b) make Landlord liable to Tenant for damages; (c) abate Rent or Additional Rent or (d) relieve Tenant from performing Tenant's Lease obligations.

3.4 Repairs and Maintenance by Tenant. Tenant shall (a) keep the Premises and fixtures in good order; (b) make repairs and replacements to the Premises, the Building or the Land needed because of Tenant's misuse or primary negligence, except to the extent that the repairs or replacements are covered by Landlord's insurance or the insurance Landlord is required to carry under Section 5, whichever is greater; (c) repair

and replace all plate glass and any special equipment, decorative treatments or alterations made to the Premises by Tenant pursuant to paragraph 4.1 below installed by or at Tenant's request except to the extent the repairs or replacements are needed because of Landlord's misuse or primary negligence, and are not covered by Tenant's insurance or the insurance Tenant is required to carry under Section 5, whichever is greater; or if the Lease is ended under paragraph 6.1 (Damages), or 6.8 (Condemnation), (d) not commit waste. Tenant shall not place any load upon the floor of the Building that exceeds the load per square foot for which the floor was designed to carry.

3.5 Landlord's Repairs. Except for repairs and replacements that Tenant must make under paragraph 3.4, Landlord shall pay for and make all other repairs and replacements to the Premises, and Building (including Building fixtures and equipment).

Landlord shall make the repairs and replacements to maintain the Building in a condition comparable to other first class office buildings in the Loudoun County area. This maintenance shall include the roof, foundation, exterior walls, interior structural walls, all structural components, and all systems, such as mechanical, electrical, HVAC, and plumbing.

3.6 Time for Repairs. Repairs or replacements required under paragraphs 3.4 and 3.5 shall be made within a reasonable time (depending on the nature of the repair or replacement needed) after receiving notice or having actual knowledge of the need for a repair or replacement. Any repairs and/or maintenance required or permitted herein shall be performed in a good and workmanlike manner by licensed contractors.

3.7 Surrendering the Premises. Upon the Ending Date or the date the last extension Term, if any, ends, whichever is later, Tenant shall surrender the Premises to Landlord in the same broom clean condition that the Premises were in on the Beginning Date except for (a) ordinary wear and tear; (b) damage by the elements, fire, and other casualty unless Tenant would be required to repair under paragraph 3.4; (c) condemnation; (d) damage arising from any cause not required to be repaired or replaced by Tenant; and (e) alterations as permitted by this Lease unless consent was conditioned on their removal.

On surrender Tenant shall remove from the Premises its personal property, trade fixtures, and any alterations required to be removed under paragraph 4.1 and repair any damage to the Premises caused by the removal. Any items not removed by Tenant as required above shall be considered abandoned. Landlord may dispose of abandoned items as Landlord chooses and bill Tenant for the cost of their disposal, minus any revenues received by Landlord for their disposal.

SECTION 4 – ALTERATIONS: ASSIGNMENT AND SUBLEASING

4.1 Alterations. "Alterations" means alterations, additions, substitutions, installations, changes, and improvements, but excludes minor decorations and the

Tenant's Improvements Landlord is to make under paragraph 1.9. Tenant shall not make Alterations without the Landlord's advance written consent. Landlord's consent shall not be unreasonably withheld, conditioned or delayed for nonstructural interior Alterations to the Premises that do not adversely affect the Building's appearance, value, and structural strength ("Non-Structural Alterations").

Tenant shall furnish Landlord with reasonably detailed plans and specifications for all Alterations shall complete the Alterations in substantial conformity with such plans and specifications.

All Alterations shall be performed and completed:

- (A) in a workmanlike manner,
- (B) in compliance with all applicable laws, regulations, rules, ordinances, and other requirements of governmental authorities,
- (C) using new materials and installations at least equal in quality to the original Building materials and installations,
- (D) by not disturbing the quiet possession of other tenants,
- (E) by not interfering with the construction, operation, or maintenance of the Building, and
- (F) with due diligence;

With respect to all Alterations:

- (A) Tenant shall use workers and contractors who Landlord employs or approves in writing, which approval shall not be unreasonably withheld or unduly delayed;
- (B) Tenant shall modify plans and specifications because of reasonable conditions set by Landlord after reviewing the plans and specifications;
- (C) Tenant's contractors shall carry builder's risk insurance in an amount then customarily carried by prudent contractors and workers' compensation insurance for its employees in statutory limits;
- (D) Tenant's workers or contractors shall work in harmony and not unreasonably interfere with Landlord's workers or contractors;
- (E) Tenant shall give Landlord at least fifteen (15) days advance notice before beginning any Alterations so that Landlord may post or record notices of nonresponsibility;

(F) Upon demand Tenant shall give Landlord evidence that it complied with any reasonable condition set by Landlord, including requirements for performance and materialmen's bonds;

(G) Tenant shall give Landlord complete as-built mylar or CAD drawings of the Alterations after they are finished; and

Unless Landlord otherwise directs, Tenant shall remove the Alterations and repair any damage from their removal by the Ending Date.

4.2 Payment and Ownership of the Alterations. Alterations made under this Section shall be at Tenant's expense. The Alterations shall belong to Landlord when this Lease ends except for any Alterations required to be removed by Tenant, under paragraph 4.1. Nevertheless, Tenant may remove and retain its trade fixtures, furniture, equipment, and other personal property if Tenant promptly repairs any damage caused by their removal.

4.3 Assignment and Subleasing Consent Required. Tenant shall not transfer, mortgage, encumber, assign, or sublease all or part of the Premises without Landlord's advance written consent. Landlord's consent to any assignment or sublease shall not be unreasonably withheld, conditioned or delayed. The Landlord's consent shall not be considered unreasonably withheld if (a) the proposed subtenant's or assignee's financial condition is such that, in the reasonable exercise of Landlord's judgment the proposed subtenant or assignee will be unable to meet its obligations under the sublease or this Lease, as the case may be; (b) the proposed subtenant's or assignee's business is not suitable for the Building considering the Building's prestige or the prestige of the business park wherein the Premises are located; or (c) the proposed use is inconsistent with the use permitted by paragraph 1.3 or with exclusives given to other tenants of the Building.

Tenant must provide Landlord in writing (a) the name and address of the proposed subtenant or assignee; (b) the nature of the proposed subtenant's or assignee's business it will operate in the Premises; (c) the terms of the proposed sublease or assignment; and (d) reasonable financial information so that Landlord can evaluate the proposed subtenant or assignee.

Landlord shall, within fifteen (15) business days after receiving the information, give notice to Tenant to permit or deny the proposed sublease or assignment.

If Landlord denies consent, it must explain, in reasonable detail, the reasons for the denial. If Landlord does not give notice within the fifteen (15) business-day period, then Tenant may sublease or assign part or all of the Premises upon the terms Tenant gave in the information provided to Landlord pursuant to this paragraph 4.3.

4.4 (Intentionally omitted).

4.5 Conditions of Assignments or Subleases. Subleases and Assignments by Tenant are also subject to the following (a) the terms of this Lease; (b) the Term shall not extend beyond the Lease Term; (c) Tenant shall remain fully liable for all Lease obligations; (d) consent to one sublease or assignment does not waive the consent requirement for future assignments or subleases; and (e) fifty percent (50%) of the consideration (Excess Consideration) received by Tenant from an assignment or sublease that exceeds the amount Tenant must pay Landlord, which amount is to be prorated where a part of the Premises is subleased or assigned, shall also be paid to Landlord. Excess Consideration shall exclude reasonable leasing commissions paid by Tenant, payments attributable to the amortization of the cost of Tenant improvements made to the Premises at Tenant's cost for the assignee or subtenant, and other reasonable, out-of-pocket costs paid by Tenant, such as attorneys' fees directly related to Tenant's obtaining an assignee or sublessee. Tenant shall pay this Excess Consideration to Landlord at the end of each calendar year during which Tenant collects any Excess Consideration. Each payment shall be sent with a detailed statement showing:

- (A) the total consideration paid by the subtenant or assignee and
- (B) any exclusions from the consideration permitted by this Section.

Landlord shall have the right to audit Tenant's books and records to verify the accuracy of the detailed statement. If the audit reveals that the amount owed to Landlord is 5% or more than that shown on the detailed statement Tenant shall pay to Landlord Landlord's reasonable cost of conducting the audit (either for internal or outside auditors). Internal auditors shall be billed at the hourly payroll cost of those employees to Landlord (based on a 40-hour week and including wages and benefits) multiplied by the number of hours spent auditing.

SECTION 5 – INSURANCE: INDEMNIFICATIONS AND LIMITATIONS ON LANDLORD'S LIABILITY

5.1 Landlord's Building Insurance. Landlord shall keep the Building, including the Tenant's Improvements, insured against damage and destruction by fire, vandalism, and other perils covered by the industry standard "Special Form" policy in the amount of the full replacement value thereof, as the value may exist from time to time.

5.2 Property Insurance. Each party shall keep its personal property and trade fixtures in the Premises and Building insured against the perils covered by the industry standard "Special Form" policy in an amount to cover one hundred percent (100%) of the replacement cost of the property and fixtures. Tenant shall carry plate glass insurance covering all plate glass on the Premises and insurance against sprinkler leakage and other sprinkler damage.

5.3 Liability Insurance. Each party shall maintain contractual and comprehensive general liability insurance, including public liability and property damage, with a minimum combined single limit of liability of Two Million Dollars (\$2,000,000) for bodily injuries or deaths of persons occurring in or about the Building and Premises. Landlord shall be named as an additional insured on Tenant's policy.

5.4 Waiver of Subrogation. Each party waives claims arising in any manner in its (Injured Party's) favor and against the other party for loss or damage to Injured Party's property located within or constituting a part or all of the Building. This waiver applies to the extent the loss or damage is covered by (a) the Injured Party's insurance; or (b) the insurance the Injured Party is required to carry under Section 5, whichever is greater. The waiver also applies to each party's directors, officers, employees, shareholders, and agents.

5.5 Increase in Insurance. The amounts of coverage required by this Lease are subject to review at the end of each three-year period following the Beginning Date. At each review, if necessary to maintain the same level of coverage that existed on the Beginning Date, the amounts of coverage shall be increased to the amounts of coverage carried by prudent landlords and tenants of comparable first class office buildings in the area of Loudoun County wherein the Premises are located.

Either party may make the review and request appropriate increases based upon this review within sixty (60) days after each three-year period ends.

5.6 Insurance Criteria. Insurance policies required by this Lease shall (a) either be carried through the Virginia Municipal League, or be issued by insurance companies authorized to do business in the State of Virginia with general policyholder's ratings of at least A and a financial rating of at least IX in the most current Best's Insurance Reports. If the Best's ratings are changed or discontinued, the parties shall agree on a different method of rating insurance companies, (b) with respect to the Tenant's comprehensive general liability policy name the Landlord as an additional insured; (c) with respect to the Tenant's comprehensive general liability policy provide that the insurance not be canceled or materially changed in the scope or amount of coverage unless thirty (30) days' advance notice is given to the Landlord; (d) with respect to the Tenant's comprehensive general liability policy be a primary policy - not as contributing with, or in excess of, the coverage that the Landlord may carry; (e) be permitted to be carried through a "blanket policy" or "umbrella" coverage; (f) have deductibles not greater than Fifty Thousand Dollars (\$50,000) (g) be written on an "occurrence" basis; and (h) be maintained during the entire Term and any extension Terms.

5.7 Evidence of Insurance. By the Beginning Date and upon each renewal of its insurance policies, each party shall give certificates of insurance to the other party. The certificate shall specify amounts, types of coverage, the waiver of subrogation, and the insurance criteria listed in paragraph 5.6. The policies shall be renewed or replaced and maintained by the party responsible for that policy. If either party fails to give the

required certificate within ten (10) business days after notice of demand for it, the other party may obtain and pay for that insurance and receive reimbursement from the party required to have the insurance.

5.8 (Intentionally omitted).

5.9 (Intentionally omitted).

5.10 Release of Claims. Notwithstanding paragraphs 5.8 and 5.9, the parties release each other from any claims either party (Injured Party) has against the other. This release is limited to the extent the claim is covered by the Injured Party's insurance or the insurance the Injured Party is required to carry under Section 5, whichever is greater.

5.11 Limitation of Landlord's Liability.

If the Building is sold or transferred, voluntarily or involuntarily, Landlord's Lease obligations and liabilities accruing after the transfer shall be the sole responsibility of the new owner, except that Landlord shall remain liable for the refund of the Security Deposit unless it is given to the new owner. ✓

Unless caused by Landlord's negligence or misconduct, Landlord shall not be liable for, and Landlord is hereby released and relieved from all claims and demands of any kind by reason of or resulting from damage or injury to property of Tenant or any other party, directly or indirectly caused by (a) dampness, water, rain or snow, in any part of the Premises, and/or (b) falling plaster, steam, gas, electricity, or any leak or break in any part of the Premises or from any pipes, appliances or plumbing or from sewers or the street or subsurface or from any other place or any part of any other property or in the pipes of the plumbing or heating facilities of the Building, no matter how caused.

Nothing in this paragraph 5.11 shall be interpreted to mean that Tenant cannot be awarded specific performance or an injunction.

SECTION 6 – DAMAGE TO BUILDING: CONDEMNATION

6.1 Repair of Damage. As used herein the term "Relevant Space" means the Premises (excluding Tenant's non-building standard fixtures) and reasonable access to the Premises and any part of the Building that provides essential services to the Premises. Subject to the provisions of paragraph 6.5, if the Relevant Space is damaged in part or whole from any cause and the Relevant Space can be substantially repaired and restored within one hundred and eighty (180) days from the date of the damage using standard working methods and procedures, Landlord shall at its expense promptly and diligently repair and restore the Relevant Space to substantially the same condition as existed before the damage. This repair and restoration shall be made within one hundred and eighty (180) days from the date of the damage unless the delay is due to causes beyond Landlord's reasonable control.

If the Relevant Space cannot be repaired and restored within the one hundred and eighty (180) day period, then either party may, within thirty (30) days after determining that the repairs and restoration cannot be made within one hundred and eighty (180) days (as prescribed in paragraph 6.2), cancel the Lease by giving notice to the other party. Nevertheless, if the Relevant Space is not repaired and restored within one hundred and eighty (180) days from the date of the damage, then Tenant may cancel the Lease at any time after the one hundred and eightieth (180th) day and before the two hundred and tenth (210th) day following the date of damage. Tenant shall not be able to cancel this Lease if its willful misconduct causes the damage unless Landlord is not promptly and diligently repairing and restoring the Relevant Space.

6.2 Determining the Extent of Damage. The determination of whether the repairs and restoration described in paragraph 6.1 will take more than one hundred and eighty (180) days to make, shall be made by Landlord in the reasonable exercise of the Landlord's judgment.

6.3 Abatement. Unless the damage is caused by Tenant's willful misconduct, the Rent and Additional Rent shall abate in proportion to that part of the Premises that is unfit for use in Tenant's business. The abatement shall consider the nature and extent of interference to Tenant's ability to conduct business in the Premises and the need for access and essential services. The abatement shall continue from the date the damage occurred until the repairs and restoration are substantially completed, or until Tenant again uses the Premises or the part rendered unusable, whichever is first.

6.4 Tenant's Property. Notwithstanding anything else in Section 6, Landlord is not obligated to repair or restore damage to Tenant's trade fixtures, furniture, equipment, or other personal property, or any Tenant improvements other than the Tenant's Improvements constructed by Landlord pursuant to paragraph 1.9 up to the amount of the Landlord's contribution toward this cost thereof.

6.5 Damage to Building. If the Building is damaged or destroyed and (a) the cost of repair of the Building is 50% or more of the Building's replacement cost and the Landlord decides not to repair and restore the Building; (b) any mortgagee of the Building does not allow adequate insurance proceeds for repair and restoration; (c) the damage is not covered by Landlord's insurance required by paragraph 5.1; or (d) the cost of repair of the Building is 25% or more of the Building's replacement cost and the Lease is in the last 12 months of its Term, then Landlord may cancel this Lease. To cancel, Landlord must give notice to Tenant within thirty (30) days after the Landlord knows of the damage. The notice must specify the cancellation date, which shall be at least thirty (30) but not more than sixty (60) days after the date notice is given.

6.6 Cancellation. If either party cancels this Lease as permitted by paragraph 6.1, or if the Landlord cancels this Lease as permitted by paragraph 6.5, then this Lease shall end on the day specified in the cancellation notice. The Rent, Additional Rent, and other charges shall be payable up to the cancellation date and shall account for any

abatement. Landlord shall promptly refund to Tenant any prepaid, unaccrued Rent and Additional Rent, accounting for any abatement, plus the Security Deposit, if any, less any sum then owing by Tenant to Landlord.

6.7 Condemnation. The terms "eminent domain," "condemnation," "taken," and the like include takings for public or quasi-public use and private purchases under threat of condemnation by any authority authorized to exercise the power of eminent domain.

If the entire Premises, or the reasonable use of, the Premises are taken by eminent domain, this Lease shall automatically end on the earlier of (a) the date title vests; or (b) the date Tenant is dispossessed by the condemning authority.

If the taking of a part of the Premises materially interferes with Tenant's ability to continue its business operations in substantially the same manner and space then Tenant may end this Lease on the earlier of (a) the date when title vests; or (b) the date Tenant is dispossessed by the condemning authority;

If there is a partial taking and this Lease continues, then the Lease shall end as to the part taken and the Rent and Additional Rent shall abate in proportion to the part of the Premises taken.

6.8 Termination by Landlord. If title to a part of the Building is condemned, and in the Landlord's reasonable opinion, the Building should be restored in a manner that materially alters the Premises, Landlord may cancel this Lease by giving notice to Tenant. Cancellation notice shall be given within sixty (60) days following the date title vested. This Lease shall end on the date specified in the cancellation notice, which date shall be at least thirty (30) days but not more than ninety (90) days after the date notice is given.

6.9 Rent Adjustment. If the Lease is canceled as provided in paragraph 6.7 or 6.8, then the Rent, Additional Rent, and other charges shall be payable up to the cancellation date, and shall account for any abatement. Landlord, considering any abatement, shall promptly refund to Tenant any prepaid, unaccrued Rent and Additional Rent plus the Security Deposit, if any, less any sum then owing by Tenant to Landlord.

6.10 Repair. If the Lease is not canceled as provided for in paragraph 6.7 or 6.8, then Landlord at its expense shall promptly repair and restore the Premises to the condition that existed immediately before the taking, except for the part taken, to render the Premises a complete architectural unit, but only to the extent of the condemnation award received for the damage.

6.11 Awards and Damages. Landlord reserves all rights to damages paid because of any partial or entire taking of the Premises. Tenant assigns to Landlord any right Tenant may have to the damages or award. Further, Tenant shall not make claims against Landlord or the condemning authority for damages.

Notwithstanding anything else in this paragraph 6.11, Tenant may claim and recover from the condemning authority a separate award for Tenant's moving expenses, business dislocation damages, Tenant's personal property and fixtures, the unamortized costs of leasehold improvements paid for by Tenant, excluding the Landlord's buildout described in paragraph 1.9, and any other award that would not substantially reduce the award payable to Landlord. Each party shall seek its own award, as limited by this paragraph 6.11, at its own expense, and neither shall have any right to the award made to the other.

6.12 Temporary Condemnation. If part or all of the Premises are condemned for a limited period of time (Temporary Condemnation), this Lease shall remain in effect. The Rent and Additional Rent and Tenant's obligations for the part of the Premises taken shall abate during the Temporary Condemnation in proportion to the part of the Premises that Tenant is unable to use in its business operations as a result of the Temporary Condemnation. Landlord shall receive the entire award for any Temporary Condemnation.

SECTION 7 - DEFAULT

7.1 Tenant's Defaults. Each of the following constitutes a default (Default):

(a) Tenant's failure to pay Rent or Additional Rent (i) within five (5) business days after Tenant receives notice from Landlord of Tenant's failure to pay Rent or Additional Rent, or (ii) Tenant's failure to pay Rent or Additional Rent by the due date at any time during a calendar year in which Tenant has already received three notices of its failure to pay Rent or Additional Rent by the due date;

(b) Tenant's failure to perform or observe any other Tenant obligation after a period of thirty (30) days or the additional time, if any, that is reasonably necessary to promptly and diligently cure the failure, after it receives notice from Landlord setting forth in reasonable detail the nature and extent of the failure and identifying the applicable Lease provision(s);

(c) Tenant's abandoning or vacating the Premises if Tenant fails to timely pay the Rent and Additional Rent by the due date;

(d) Tenant's failure to vacate or stay any of the following within ninety (90) days after they occur (i) a petition in bankruptcy is filed by or against Tenant; (ii) Tenant is adjudicated as bankrupt or insolvent; (iii) a receiver, trustee, or liquidator is appointed for all or a substantial part of Tenant's property; or (iv) Tenant makes an assignment for the benefit of creditors.

7.7 Reletting by Landlord. Landlord may relet for a shorter or longer period of time than the Lease Term and make any necessary repairs or alterations. Landlord may relet on any reasonable terms including a reasonable amount of free rent.

7.8 Landlord's Default. Landlord's failure to perform or observe any of its Lease obligations after a period of thirty (30) business days or the additional time, if any, that is reasonably necessary to promptly and diligently cure the failure after receiving notice from Tenant is a Landlord's Default. The notice shall give in reasonable detail the nature and extent of the failure and identify the Lease provision(s) containing the obligation(s). After Tenant receives notice of a Mortgagee's name and address and request for notice upon Landlord's Default, Tenant shall provide the notice required by this Section to the Mortgagee at the same time Tenant gives notice to Landlord.

If Landlord commits a Default, Tenant may pursue any remedies given in this Lease or under the law.

7.9 Exception to Cure Periods. The cure periods in paragraphs 7.1(c) and 7.8 do not apply to emergencies or failure to maintain the insurance required by Section 5.1.

7.10 Self-Help. If Tenant defaults, the Landlord may, without being obligated and without waiving the Default, cure the Default. The Landlord may enter the Premises to cure the Default. The Tenant shall pay the Landlord, within ten (10) business days of receiving the Landlord's invoice therefore, all costs, expenses, and disbursements incurred by the Landlord to cure the Default.

7.11 Survival. The remedies permitted by Section 7, and the parties' indemnities in paragraphs 5.9 and 5.10 shall survive the ending of this Lease.

SECTION 8 – SUBORDINATION AND NONDISTURBANCE: ESTOPPEL CERTIFICATES

8.1 Subordination. This Lease is subordinate to prior or subsequent mortgages covering the Premises.

If any mortgage is foreclosed, then, at the election of the party purchasing the Premises at the foreclosure sale (a) this Lease shall continue; (b) Tenant's quiet possession shall not be disturbed, if Tenant is not in Default; (c) Tenant will attorn to and recognize the mortgagee or purchaser at foreclosure sale (Successor Landlord) as Tenant's landlord for the remaining Term; and (d) the Successor Landlord shall not be bound by:

(A) any payment of Rent or Additional Rent for more than one month in advance, except the Security Deposit and free rent, if any, specified in the Lease,

(B) any amendment, modification, or ending of this Lease made without the mortgagee's consent after the name of the mortgagee has been given to Tenant, and

(C) any liability for any act or omission of a prior Landlord.

8.2 Self-Operating. Paragraph 8.1 is self-operating. However, Tenant shall execute and deliver any documents needed to confirm this arrangement within ten (10) business days after receiving the documents from Landlord;

8.3 SNDA. Tenant will not unreasonably refuse to enter into a subordination, non-disturbance and attornment agreement if requested to do so by a prior or subsequent mortgagee. ✓

8.4 Estoppel Certificates. Either party (Answering Party) shall from time to time, within ten (10) business days after receiving a written request by the other party (Asking Party), execute and deliver to the Asking Party a written statement. This written statement, which may be relied upon by the Asking Party and any third party with whom the Asking Party is dealing shall certify (a) the accuracy of the Lease document; (b) the Beginning and Ending Dates of the Lease; (c) that the Lease is unmodified and in full effect or in full effect as modified, stating the date and nature of the modification; (d) whether to the Answering Party's knowledge the Asking Party is in default or whether the Answering Party has any claims or demands against the Asking Party and, if so, specifying the Default, claim, or demand; and (e) to other correct and reasonably ascertainable facts that are covered by the Lease terms.

The Answering Party's failure to comply with its obligations in this paragraph 8.4 shall be a Default. Notwithstanding paragraphs 7.1(c) and 7.8, the cure period for this Default shall be five (5) business days after the Answering Party receives notice of the Default.

8.5 Quiet Possession. Landlord warrants that it owns the Premises free and clear of all mortgages and deeds of trust except for the Credit Line, Deed of Trust, Assignment and Security Agreement dated November 20, 2000 from Landlord, as Grantor, to Brian F. Kenney and John D. Briggs, as Trustees, for the benefit of Allfirst Bank securing a principal indebtedness of not to exceed \$7,450,000.

If Tenant is not in Default, and subject to the Lease terms and the above encumbrances, Landlord warrants that Tenant's peaceable and quiet enjoyment of the Premises shall not be disturbed by anyone claiming by, through or under Landlord.

SECTION 9 – RULES; MECHANICS LIENS: LANDLORD'S RIGHTS

9.1 Rules. Tenant, its employees and invitees, shall comply with the Rules attached as Exhibit D; and reasonable nondiscriminatory modifications and additions to the Rules adopted by Landlord that:

- (A) Tenant is given fifteen (15) days advance written notice of;
- (B) are for the safety, care, order, or cleanliness of the Premises;
- (C) do not unreasonably and materially interfere with Tenant's conduct of its business or Tenant's use and enjoyment of the Premises; and
- (D) do not require payment of additional moneys.

If a Rule issued under paragraph 9.1 conflicts with or is inconsistent with any Lease provision, the Lease provision controls.

9.2 Mechanic's Liens: Landlord's Waiver. Tenant shall, within twenty (20) days after receiving notice of any mechanic's lien for material or work claimed to have been furnished to the Premises on Tenant's behalf and at Tenant's request, except for work contracted by Landlord including the completion of the construction of the Building and related improvements and the buildout described in paragraph 1.9, (a) discharge the lien; or (b) post a bond equal to the amount of the disputed claim with companies reasonably satisfactory to Landlord. If Tenant posts a bond, it shall contest the validity of the lien.

If Tenant does not discharge the lien or post the bond within the twenty (20) day period, Landlord may pay any amounts, including interest and legal fees, to discharge the lien. Tenant shall then be liable to Landlord for the amounts paid by Landlord.

Paragraph 9.2 is not a consent to subject Landlord's property to these liens.

9.3 Right to Enter. Landlord and its agents, servants, and employees may enter the Premises at reasonable times, and at any time if an emergency, without charge, liability, or abatement of Rent to (a) examine the Premises; (b) make repairs, alterations, improvements, and additions to the Premises or the Building; (c) provide janitorial and other services required by the Lease; (d) comply with Applicable Laws under paragraph 3.1; (e) show the Premises to prospective lenders or purchasers, and during the one hundred and eighty (180) days immediately before this Lease ends to prospective tenants, accompanied, if requested by Tenant, by a Tenant representative; (f) post notices of nonresponsibility; and (g) remove any Alterations made by Tenant in violation of paragraph 4.1.

Notwithstanding this paragraph 9.3, entry is conditioned upon Landlord (a) giving Tenant at least twenty-four (24) hours advance notice, except in an emergency; (b) promptly finishing any work for which it entered; and (c) causing the least practical interference to Tenant's business.

If Landlord's entry causes damage to Tenant's property, Landlord shall be liable for any damage to the extent the damage is not covered by Tenant's insurance or the insurance Tenant is required to carry under Section 5 whichever is greater.

9.4 Holdover. If Tenant continues occupying the Premises after the Term ends (Holdover) then if the Holdover is without Landlord's written consent, then Tenant shall be a tenant-at-sufferance. Tenant shall pay by the first day of each month twice the amount of Rent and Additional Rent due in the last full month immediately preceding the Holdover period and shall be liable for any damages suffered by Landlord because of Tenant's Holdover. Landlord shall retain its remedies against Tenant who holds over without written consent.

9.5 Signs. Except for the signs installed as the part of Tenant's Improvements, Tenant shall not place nor have placed any other signs, listings, advertisements, or any other notices anywhere else in the Building or elsewhere on the Premises without first obtaining Landlord's written consent. Landlord shall list the Tenant's name in the Building directory maintained in the lobby of the Building.

SECTION 10 – WAIVER OF JURY TRIAL

Landlord and Tenant each waive the right to a trial by jury in any proceeding arising out of or pertaining to this Lease. Each party to this Lease has been represented by counsel and each party acknowledges that this waiver is the party's knowing, intentional and voluntary act.

SECTION 11 - MISCELLANEOUS

11.1 Broker's Warranty. The parties warrant that CB Richard Ellis are the only brokers they dealt with respect to this Lease. Landlord is solely responsible for paying the commissions of CB Richard Ellis and Grubb & Ellis pursuant to the terms of a separate agreement.

11.2 Not used.

11.3 Notices. Unless a Lease provision expressly authorizes verbal notice, all notices under this Lease shall be in writing and sent by facsimile copier with confirmed receipt, by recognized overnight courier, or by registered or certified mail, postage prepaid, as follows:

To Tenant: Board of Supervisors of Loudoun County, Virginia
c/o Director of General Services
1 Harrison Street, S.E.
Leesburg, VA 20178-0347
Telephone: (703) 771-5552
Telecopier: (703) 771-~~5525~~ 5553



To Landlord: c/o Bavar Properties Group LLC
Timonium One
1966 Greenspring Drive, Suite 508
Timonium, MD 21093
Telephone: (410) 560-0300
Telecopier: (410) 560-0303

Either party may change that person's address or phone number, by giving notice as provided above. Tenant shall also give required notices to Landlord's mortgagee after receiving notice from Landlord of the mortgagee's request for the same and the mortgagee's name and address. Notice sent by overnight courier or by U.S. mail shall be considered given and received on the latest original delivery or attempted delivery date as indicated on the delivery receipts or postage receipt(s), of all persons and addresses to which notice is to be given. Notices sent by telecopier shall be considered given upon confirmed receipt if received prior to 5:00 p.m. on a business day, otherwise it shall be considered given on the next succeeding business day.

11.4 Partial Invalidity. If any Lease provision is invalid or unenforceable to any extent, then that provision and the remainder of this Lease shall continue in effect and be enforceable to the fullest extent permitted by law.

11.5 Waiver. The failure of either party to exercise any of its rights is not a waiver of those rights. A party waives only those rights specified in writing and signed by the party waiving its rights.

11.6 Construction. The parties agree that this Lease shall be construed as if both parties were equally responsible for drafting the Lease. If the parties delete any provision or part of a provision, the Lease will be interpreted as if the deleted language was never part of the Lease.

11.7 Binding on Successors. This Lease shall bind the parties' heirs, successors, personal representatives, and permitted assigns.

11.8 Governing Law. This Lease shall be governed by the laws of the state in which the Premises are located.

11.9 Lease not an Offer. Landlord gave this Lease to Tenant for review. It is not an offer to lease. This Lease shall not be binding unless signed by both parties.

11.10 Recording. Recording of this Lease is prohibited.

11.11 Survival of Remedies. The parties' remedies shall survive the ending of this Lease.

11.12 Authority of Parties. Each party warrants that it is authorized to enter into the Lease, that the person signing on its behalf is duly authorized to execute the Lease, and that no other signatures are necessary.

11.13 Business Days. Business days means Monday through Friday inclusive, excluding the holidays listed in Section 3.3. Throughout this Lease, wherever "days" are used the term shall refer to calendar days. Wherever the term "business days" is used the term shall refer to business days.

11.14 Entire Agreement. This Lease contains the entire agreement between the parties about the Premises and Building. Except for the Rules for which paragraph 9.1 controls, this Lease shall be modified only by a writing signed by both parties.

11.15 Lender's Approval. This Lease and the obligations of the parties hereunder are subject to the written approval of Allfirst Bank. This Lease shall be a continuing offer of each party but not otherwise binding upon either Landlord or Tenant unless Landlord receives such written approval and Landlord agrees to use good faith reasonable diligence in seeking the approval. Landlord will advise Tenant promptly upon its receipt of the approval or disapproval. In the event approval is not received within thirty (30) days from the date of this Lease, then the continuing offers of the parties contained herein shall end.

11.16. Lender-Requested Changes. If any lender or ground lessor of Landlord shall require any modifications of the terms and provisions of this Lease, Tenant shall execute and deliver to Landlord, within ten (10) days after Landlord's request therefor, a written agreement incorporating any such modifications; provided, however, that Tenant shall not be required to consent to any modifications in connection with the location of the Premises, Rent, Additional Rent, initial construction obligations of the parties hereto, or any other modifications substantially adversely affecting any material right of Tenant hereunder.

11.17. Parking. All parking in the parking lot on the Land shall be on a first-come, first-served basis.

11.18 Exhibits. The following exhibits are attached to this Lease as a part hereof:

Exhibit A, which is the floor plan for the Premises

WITNESS:

Diane J. Stetz

LANDLORD:

RIDGETOP TWO, L.L.C.

By:

David L. Bavar
David L. Bavar, Manager

TENANT:

BOARD OF SUPERVISORS OF LOUDOUN
COUNTY, VIRGINIA

Myra C. Hughes

By:

Jay M. Snyder
Name: JAY M. SNYDER

Title: DIRECTOR OF GENERAL SERVICES

APPROVED AS TO FORM:

J. Ault
ASSISTANT COUNTY ATTORNEY